

DEPARTMENT: Administration

BY: Rick Benson
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Adopt a resolution authorizing judicial validation proceedings relating to the issuance of the County's pension obligation bonds. The first step in issuing bonds is to initiate a validation action. By doing so the Courts are able to rule that this is a valid debt of the County. Once such a ruling is obtained, the County is legally able to issue bonds. The validation action will take approximately ninety (90) days and will conclude with a ruling in Mariposa County Superior Court.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On April 24, 2007, the Board gave direction to staff to pursue the issuance of pension obligation bonds in order to address the unfunded liability of the County for retirement.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not adopt the resolution. Without a validation action, the County will be unable to legally issue bonds. Payments to CalPERS will continue and the unfunded liability obligation will continue to increase.

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$		List Attachments, number pages consecutively
Additional Funding Needed: \$		Resolution
Source:		
Internal Transfer		
Unanticipated Revenue	_____ 4/5's vote	
Transfer Between Funds	_____ 4/5's vote	
Contingency	_____ 4/5's vote	
() General () Other		

CLERK'S USE ONLY:

Res. No.: 07-350 Ord. No. _____
 Vote - Ayes: 5 Noes: _____
 Absent: _____
) Approved
) Minute Order Attached () No Action Necessary

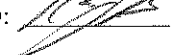
COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
 Comments:

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
 Attest: MARGIE WILLIAMS, Clerk of the Board
 County of Mariposa, State of California

By: _____
 Deputy

CAO: 

MARIPOSA COUNTY RESOLUTION NO. 07 - 359

**A RESOLUTION AUTHORIZING JUDICIAL VALIDATION
PROCEEDINGS RELATING TO THE ISSUANCE OF THE COUNTY'S
PENSION OBLIGATION BONDS**

WHEREAS, the County of Mariposa (the "County") is a contracting member of the California Public Employees' Retirement System ("PERS"); and

WHEREAS, the Public Employees' Retirement Law (commencing with Section 20000 of the California Government Code) and the contract (the "PERS Contract") between the Board of Administration of PERS and the Board of Supervisors of the County (the "Board") obligate the County (i) to make contributions to PERS to fund pension benefits for certain County employees, (ii) to amortize the unfunded accrued actuarial liability with respect to such pension benefits and (iii) to appropriate funds for the foregoing purposes; and

WHEREAS, the County desires to authorize the issuance of its County of Mariposa Taxable Pension Obligation Bonds, Series 2007 (the "Bonds") pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), for the purpose of refunding all or a portion of the County's current obligation to PERS, as evidenced by the PERS Contract, to pay the unfunded accrued actuarial liability of the County with respect to pension benefits under the Public Employees' Retirement Law, and paying the costs of issuance of the Bonds, including any underwriter's discount or placement agent fee, any bond insurance premiums and any original issue discount on the Bonds; and

WHEREAS, the Bonds will be issued under and secured by a Trust Agreement (such Trust Agreement, in a form to be presented to a subsequent meeting of the Board, being referred to herein as the "Trust Agreement"); and

WHEREAS, the County has determined the advisability of filing an action to determine the validity of the Bonds and the Trust Agreement, and the actions proposed to be taken in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIPOSA AS FOLLOWS:

Section 1. Recitals True and Correct. The Board does hereby find and declare that the above recitals are true and correct.

Section 2. Issuance of the Bonds. The issuance of the Bonds, in an aggregate principal amount not to exceed \$14,000,000, on the terms and conditions to be set forth in, and subject to the limitations to be specified in, the Trust Agreement is hereby authorized and approved, subject to the further approval of the Board of the actual form of Trust Agreement; provided, however, that the aggregate principal amount of the Bonds shall not exceed the sum of (1) the amount of the County's obligation to PERS, as evidenced by the PERS Contract, to pay the unfunded accrued

actuarial liability of the County and (2) the amount needed to pay costs of issuance of the Bonds.

Section 3. Validation Action. In order to determine the validity of the Bonds and the Trust Agreement, and the actions authorized hereby to be taken in connection therewith, the Board hereby authorizes Fulbright & Jaworski L.L.P., Bond Counsel, under the supervision of County Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds and the Trust Agreement in the Superior Court of Mariposa County, under and pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure. The Board further authorizes the County Administrative Officer and the County Counsel (the "Authorized Officers"), and all other officers, employees and agents of the County, to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

Section 4. Engagement of Financial Advisor. KNN Public Finance, A Division of Zions First National Bank, shall be, and such firm is, hereby appointed financial advisor to the County in connection with the structuring, sale and issuance of the Bonds, in accordance with the terms and conditions set forth in the proposed form of agreement for financial advisory services on file with the Clerk of the Board, and the Chairman of the Board of Supervisors or his/her designee is hereby authorized to execute and deliver said agreement with KNN Public Finance, with such modifications and conditions as shall be acceptable to such officer and the County Counsel, such approval to be conclusively evidenced by such execution and delivery.

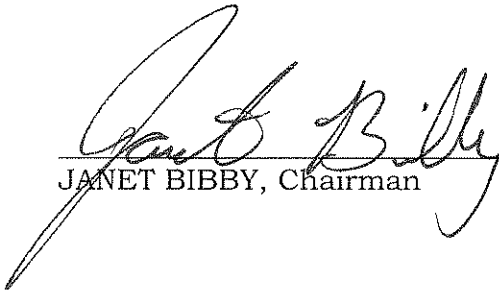
Section 5. Additional Authority. The Authorized Officers and all other officers, employees and agents of the County are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby.

Section 6. Ratification of Prior Action. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the County with respect to the issuance or judicial validation of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 7. Effective Date. This Resolution shall take effect from and after the date of approval and adoption hereof.


PASSED AND ADOPTED by the Mariposa County Board of Supervisors, a political subdivision of the State of California this 17th day of July 2007 by the following vote:

AYES:	ABORN, TURPIN, BIBBY, FRITZ, PICKARD
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE



JANET BIBBY, Chairman

ATTEST:



MARGIE WILLIAMS, Clerk of the Board

APPROVED AS TO FORM:



THOMAS P. GUARINO, County Counsel



COUNTY of MARIPOSA

P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

JANET BIBBY, CHAIR
LYLE TURPIN, VICE CHAIR
BRAD ABORN
DIANNE A. FRITZ
BOB PICKARD

DISTRICT III
DISTRICT II
DISTRICT I
DISTRICT IV
DISTRICT V



MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: RICHARD J. BENSON, CAO

FROM: MARGIE WILLIAMS, Clerk of the Board *MW*

SUBJECT: Adopt a Resolution Authorizing Judicial Validation Proceedings Relating to the Issuance of the County's Pension Obligation

RESOLUTION 07-350

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on July 17, 2007

ACTION AND VOTE:

B) Adopt a Resolution Authorizing Judicial Validation Proceedings Relating to the Issuance of the County's Pension Obligation

BOARD ACTION: Following discussion, (M)Pickard, (S)Fritz, Res. 07-350 was adopted. Supervisor Bibby asked that County Counsel provide the Board members with a copy of the Court's final decision on the pending case involving validation proceedings with the State, and that the members be kept informed of any lawsuits that may arise. Ayes: Unanimous.

Cc: Chris Ebie, Auditor
Thomas P. Guarino, County Counsel
File